

**California School Finance Authority
Charter School Facility Program
Instructions for Supplemental Application Workbook**

The California School Finance Authority (CSFA) will use the Supplemental Application Workbook (Workbook) (a Microsoft Excel file) completed by the applicant, along with other information gathered in the application process, to review each application. Applicants to the Charter School Facility Program (CSFP) will be required to complete and deliver the Charter School Facilities Program Application (Form CSFA 03-01) to the Office of Public School Construction by 5:00 p.m. on July 29, 2004. As the data to be provided in the Workbook corresponds with the information specified in Form CSFA 03-01, CSFA is requesting that an electronic copy of the completed Workbook be e-mailed to kjohantgen@treasurer.ca.gov at the time the Application is mailed to OPSC. (Please be sure to name the Workbook to correspond with the name of the applicant charter school.) A message confirming receipt of the electronic version of the Workbook will be sent to all applicants. If you do not receive a message from CSFA within 2 days of Workbook submission, please notify CSFA staff at (213) 620-4467.

Applicants submitting a completed Workbook are still obligated to submit all data and documentation requested as part of the Charter School Facilities Program Application (Form CSFA 03-01).

Background and Purpose

CSFA has responsibility for making the determination whether an applicant to the CSFP is "financially sound" as defined in Education Code Section 17078.52(d)(4). To assess the financial soundness of an applicant to the CSFP, CSFA applies a broad range of financial indicators utilizing actual and projected data relating to an applicant's operating and financial performance. CSFA staff designed the Workbook to streamline the process of gathering data and performing financial analysis. Applicants will need to download the Workbook at <http://treasurer.ca.gov/csfa/> under the heading "2004 Charter School Facilities Program." Right click on the file "CSFP Supplemental Application Workbook.xls", select "Save Target As...", and save the file to your computer's hard drive or network server using your school's name.

The Workbook is comprised of the following four worksheets:

1. Notes – The Notes provide the Workbook user with basic direction on how to complete the worksheets, while the cell comments and endnotes contained in the Workbook will provide the user with specific instructions in certain areas.
2. Operations – This worksheet gathers basic enrollment, attendance, and academic performance data.
3. Changes in Net Assets – This worksheet gathers revenue and expenditure data, presenting the financial results on a fiscal year basis.
4. Financial Position – This worksheet gathers information about the school's assets and liabilities at the conclusion of each fiscal year.

Please note that the Workbook has been designed for a user possessing a proficient knowledge of enrollment reports, student performance data and audited financial statements. Applicants should enter data only in those cells that are shaded turquoise - please do not change any other cells or otherwise alter the worksheets. Applicants must ensure that all actual (historical) data entered into the Workbook can be confirmed by information contained in enrollment reports, student performance data and audited financial statements. Additionally, the operating and financial projections entered into the Workbook should be consistent with those used by the applicant for business/educational planning purposes. Wherever possible, financial data entered into the Workbook should correspond with the California School Accounting Manual's Standardized Account Code Structure (SACS) information provided. Please do not enter decimal places.

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Financial Projections Relating to CSFP Participation

To ensure that all applicants' financial information is reviewed in a consistent manner, CSFA requests that the financial projections entered into the Workbook by the applicant do not incorporate any projected expenditure of funds or increase in assets or liabilities associated with the financing of a project through the CSFP. As part of the application review process, CSFA staff will make entries reflecting each applicant's participation in the CSFP in 2004, and 2003 if applicable. Such entries will include projecting the annual expenditure of the CSFP lease payment as well as the asset and liability of the CSFP facility.

For example, on the "Changes in Net Assets" worksheet, payment of the applicant's local matching share, whether in the form of a lump-sum payment and/or annual lease payment, should not be projected by the applicant. However, if the applicant expects that operation of the new facility will increase maintenance costs, then these expenditures should be included in the projections. Additionally, any revenues expected to be used to fund the local matching share, whether in the form of additional state funding attendant to enrollment growth or fundraising efforts, should be included in the projections.

On the "Financial Position" worksheet, increases to assets and liabilities for the acquisition of facilities through the CSFP should not be projected by the applicant. However, if the applicant expects the CSFP financed facility to replace an existing capital asset, then the existing asset should not be included in projections once the CSFP financed facility is available for occupancy. Similarly, the costs of operating this existing asset should not be included in expenditure projections on the "Changes in Net Assets" worksheet once the CSFP financed facility is available for occupancy.

CSFA staff recognizes that while the examples provided above are intended to assist applicants in filling out the Workbook, they may not address all applicants' situations. Questions regarding any special situations should be directed to CSFA staff.

Accounting Methods

CSFA understands that applicants may include a broad range of governmental and non-governmental entities. The Workbook is designed to accommodate the entry of financial data by applicants whose financial statements are prepared in accordance with the methods of either the Financial Accounting Standards Board (FASB) or the Governmental Accounting Standards Board (GASB). The presentation of financial information in the Workbook is basically consistent with GASB; however, for applicants whose financial information is prepared according to FASB, the cell comments and endnotes specify where adjustments into the GASB format will be necessary.

Data Entry on the "Operations" Worksheet

Enrollment and Attendance Data

This worksheet gathers basic enrollment, attendance, and academic performance data. In Row 6 of this worksheet, please enter the school's name, County-District-State (CDS) ID code, and the district in which the school is located.¹ In Rows 15-28, please enter the school's enrollment, by grade level, for grades K-12 as reported on the October enrollment report submitted to the California Basic Education Data System.² Please note that Row 28 ("Other") should be used to report un-graded or adult education students. On Row 31, please enter the Average Daily

¹ CDS ID codes may be obtained from the California Department of Education (CDE) web site at <http://www.cde.ca.gov/ds/si/cs/ap/lists.asp>.

² Enrollment data may be obtained from the CDE web site at <http://dq.cde.ca.gov/dataquest/page2.asp?Level=School&submit1=Submit&Subject=Enrollment>.

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Attendance (ADA) for the year as reported for the second period ("P-2") attendance report to the California Department of Education.

Academic Performance and Assessment Data

Rows 40-67 gather a range of academic performance and assessment data. On Row 40, please indicate whether the school participated in the Alternative Schools Accountability Model (ASAM) during the relevant years.³ On Rows 43-52, please enter the appropriate percentage figures indicating the applicant's participation and proficiency rates, entering either "yes" or "no" to indicate whether the school met federal Adequate Yearly Progress (AYP) indicators for the relevant school years.⁴ On Rows 55-66, please enter the relevant academic performance indicator data from the state Academic Performance Index (API).⁵ On Row 67, please indicate whether the school met all Phase II indicators (API growth of at least one point over the prior year and/or graduation rate increase) for AYP purposes.

Data Entry on the "Change in Net Assets" Worksheet

Revenues

Rows 15-22 gather information regarding the applicant's revenues for various fiscal years. On Row 16, include all general-purpose block grant revenue, including both state aid and the portion of the block grant funded from local "in lieu of property tax" revenue from the sponsoring district/agency. On Row 17, include all other state revenues, including the Charter School Categorical Block Grant, other state-funded categorical programs, the California Lottery, and other state sources. On Row 19, include all federal revenues (e.g., Title I compensatory education funding and federally-funded charter school planning and implementation grants). On Row 20, enter all other local revenue, including interest earnings but excluding any local "in lieu of property tax" revenues reported on Row 16. Please note that any grants received from non-state/federal sources and fundraising revenues should be considered an "Other Source" and accounted for as Contributions entered on Row 42. Entries to Row 21 will include all other sources of revenue not previously mentioned.

Expenditures

Rows 25-35 gather expenditure information by major object code classification using the SACS. Please note that expenditures for professional consulting services, including management fees paid to organizations providing management or oversight services to the applicant, are broken out separately on Row 30 and, to avoid double-counting, these expenditures should not be included in Row 29. Please also note that Row 33 should only include expenditures to compensate the charter-granting agency for "supervisory oversight" costs as defined in Education Code Section 47613. Applicants whose financial information is prepared according to FASB will need to accommodate the GASB presentation by excluding depreciation expenses from Row 31 and including repayment of debt principal on Row 34.

Change in Fund Balance

Based on the Increase (Decrease) in Net Assets reported in Row 47, the Workbook will calculate the difference between the Beginning Fund Balance (Row 51) and Ending Fund Balance (Row 56). If the change in fund balance does not equal the change in net assets, then the entry in Row 56 will be struck-through until an Adjustment or Restatement to Beginning Fund Balance is entered

³ Information regarding the ASAM can be found on the CDE web site at <http://www.cde.ca.gov/ta/ac/am/index.asp>.

⁴ Information regarding AYP can be found at <http://www.cde.ca.gov/ta/ac/ay/index.asp>, while school-level data is available from the CDE web site at <http://ayp.cde.ca.gov/2003p2/page2.asp?subject=AYP&level=School&submit1=Submit>.

⁵ Information regarding the API can be found at <http://www.cde.ca.gov/ta/ac/ap/index.asp>, while school-level data is available from the CDE web site at <http://api.cde.ca.gov/api2003/page2.asp?subject=API&level=School&submit1=submit>.

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in Row 50. Since it is likely that the previously mentioned GASB adjustments will cause the change in fund balance to be not equal to the change in net assets, applicants whose financial information is prepared according to FASB should disregard any strikethrough of Row 56.

Data Entry on the “Financial Position” Worksheet

This worksheet gathers information about the school’s assets and liabilities at the conclusion of each fiscal year. Rows 49-54 specifically gather information on the school’s net asset position. Examples of Reserved Assets could include reserves for inventories, prepaid expenses and restricted programs, while examples of Designated Assets could include reserves for debt service, program carryovers and economic uncertainties. Please note that if the entries for Reserved and Unreserved Assets include capital assets, then Total Liabilities and Net Assets (Row 56) will not equal Total Assets (Row 30), resulting in a strikethrough of Row 56.

Workbook Questions

We hope that these instructions are helpful and that they are the least burdensome method for collecting this important data. Applicants with questions on how to complete the Workbook should contact Katrina Johantgen, Executive Director of the CSFA, at (213) 620-2305 or kjohantgen@treasurer.ca.gov.